

New York Pivots to an All-of-the-Above Energy Approach

By David P. Flynn and Zachary Hirschfeld
Phillips Lytle LLP

New York State's energy policy has bottom-line impacts on businesses. Over the past decade, New York has prioritized renewable energy generation to decarbonize the energy sector. At the same time, the State has been less proactive in maintaining gas infrastructure and has decommissioned nuclear and gas-fired power plants. Since 2019, New York has focused on implementing the Climate Leadership and Community Protection Act (CLCPA), which, along with related legislation, has accelerated the State's pursuit of a zero-emissions grid. However, there has been a noticeable shift in the State's energy policy approach recently. This shift can be explained as a response to increasing energy costs and the State's lagging growth in energy supply, which is forecasted to fall short of steeply rising energy demand. The result: New York is now embracing an all-of-the-above energy approach.



David P. Flynn
Partner



Zachary Hirschfeld
Attorney

In its 2025 State Energy Plan, the State expressed three primary goals: affordable, reliable and clean energy.

The focus on affordability is due to rising energy costs for consumers, coupled with sudden (and likely long-term) growth in energy demand. Who pays for energy system investments has become a major political issue. To address affordability, the Energy Plan acknowledged that natural gas and petroleum fuels should be supported and may require further investment in pipeline delivery and gas-fired power plants. Further, the Energy Plan highlighted that energy-intensive businesses need low-cost power to stay competitive. The Energy Plan reiterated that maintaining fossil fuel infrastructure will be additive and not in replacement of planned growth of renewable energy.

The second goal of reliability is to ensure a sufficient supply of energy to meet demand year-round. New York has forecasted increased demand due to electrification and large loads and a shifting of peak demand to the winter months. This forecast, combined with lagging development of renewables and transmission lines, as well as planned fossil-fuel generation retirements, means new challenges to keep the lights on. Here, the Energy Plan embraced nuclear energy as a tool to achieve a reliable zero-emissions electric grid—a policy change from a decade ago when the State closed Indian Point,

seemingly placing nuclear energy in the rearview. In the past year, Governor Hochul has initiated a 5GW nuclear energy capacity target by 2040.

The final goal is cleaner energy. While the State will build on existing efforts to promote renewable energy, the Energy Plan made clear that the State's energy transition must be put on a sustainable financial footing and that renewable energy development is lagging behind CLCPA targets. The Energy

Plan echoed calls for permitting reforms as well as innovations in State tax policy and other financial strategies to better deploy private capital.

The State's focus on these three goals demonstrates a pivot to a more pragmatic and heedful energy policy. The Phillips Lytle team will be monitoring and working with leaders from across the State to ensure New York's energy future is affordable, reliable and clean.

David P. Flynn, Partner and Co-Leader of Phillips Lytle's Energy and Renewables Team, concentrates his practice in the areas of environmental law, energy and emerging technologies. He can be reached at (716) 847-5473 or dflynn@phillipslytle.com.

Zachary Hirschfeld, attorney at Phillips Lytle and member of the firm's Environmental Practice, has extensive experience in clean energy and environmental matters. He can be reached at (212) 508-0489 or zhirschfeld@phillipslytle.com.

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